



**U.S. Department of Justice**  
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*Western District of New York*

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# PRESS RELEASE

May 24, 2005

**RE: UNITED STATES v. EDWIN A. KANE a/k/a ANDY KANE**

United States Attorney Michael A. Battle announced today the sentencing of Edwin A. Kane a/k/a Andy Kane, age 68, of 2260 Lake Avenue, Rochester, New York. Kane, who was convicted of equity skimming, in violation of Title 18, United States Code, Section 1709-2, on January 14, 2005, was sentenced to 24 months imprisonment and ordered to pay restitution in the amount of \$747,049.77 by United States District Judge Charles J. Siragusa.

Assistant U.S. Attorney Tiffany H. Lee, who handled the case, stated the defendant had been convicted of equity skimming when, from in or about 1996 and continuing through in or about 2003, through his business, Hacienda Holding Corp., Kane purchased at least 20 homes in Rochester, New York, by fraudulently assuming mortgages guaranteed by the Federal Housing Administration and the United States Department of Housing and Urban Development. Kane then rented these homes and collected the rent money for himself and his businesses, Hacienda Holding Corp., Allstate Rental Corp. and Andy Kane Realty. Within a couple of months, Kane would

purport to transfer the homes to third-parties he knew would not (or could not) pay the mortgages without the benefit of the rental income from the homes. In the meantime, Kane would continue to collect the rental income from the homes for himself and his businesses. The mortgages would then go into default within one year subsequent to Kane's purchase although the County Clerk records would not show Kane as being the last person holding the mortgages. As a result, the Federal Housing Administration and the United States Department of Housing and Urban Development, as insurers of the mortgages, foreclosed on the homes and suffered a loss of over \$700,000.

The conviction was the culmination of a joint investigation on the part of the U.S. Department of Housing and Urban Development, Office of Inspector General, under the direction of Ruth Ritzema, the Federal Bureau of Investigation, under the direction of Special Agent in Charge Peter Ahearn, and the United States Postal Inspection Service, under the direction of William E. Kezer.

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